



May 30, 2006

Governor Jennifer Granholm
2nd Floor Romney Bld.
P.O. Box 30013
Lansing, MI 48909

Dear Governor Granholm:

We recently have become aware that with the passage of Michigan's new minimum wage law certain exemptions allowed under federal guidelines will no longer be applicable. Specifically, the overtime exemption for DOT regulated drivers will not be recognized under the new law. Because of this, when the law goes into effect October 1, 2006, it will cost Meijer an additional \$4,023,630.00 annually in overtime expenditures. This does not include any increase in cost passed on to us by Michigan-based contract carriers which we also use to deliver product to our distribution facilities and stores. This will put Meijer at a distinct disadvantage as a home based company in the State of Michigan.

We do not believe that either the Legislature or the Governor intended to add these additional costs for Michigan businesses. However, if not resolved quickly, our options are few and all have significant negative consequences for us and the 190 highly compensated truck drivers that could be affected.

Fortunately, there is a much better solution available to resolve this situation. The Legislature has an opportunity to pass remedial legislation to reactivate the status quo and preserve the federal overtime exemptions. We are not asking for any other changes in the minimum wage law only to follow the example of other states that have all provided for the continuation of these federal exemptions. Time is of the essence. In the short-term, if remedial legislation is not passed before summer recess, we will have to begin spending our resources for the programming changes necessary to be in compliance by October 1. In the long-term, if there is no change, we will have to evaluate the costly impact of this on our transportation business model to determine the steps necessary to remain competitive.

We are asking for you to support legislation that will reinstate the federal exemptions as they currently exist before you adjourn for the summer. We believe this is the best and only way to resolve these unintended consequences created by the passage of the Minimum Wage Bill.

We look forward to your response to our concerns.

Sincerely,

MEIJER

A handwritten signature in black ink, appearing to read "Jack McCarthy".

Jack McCarthy
Vice President of Government Relations and Loss Prevention